

# Department of State

(Amounts in thousands)

## FUNDING HISTORY

		<b>FY90</b>			<b>FY01</b>	<b>FY02</b>	<b>FY03</b>
GF/GP		\$10,586.2			\$61,436.7	\$17,718.7	\$17,741.3
All Funds		\$109,337.0			\$180,559.4	\$139,288.4	\$179,828.1
% Change - GF/GP						-71.2%	0.1%
% Change - All Funds						-22.9%	29.1%

## KEY ISSUES

	<b>GF/GP</b>	<b>ALL FUNDS</b>
Recognize Transportation Revenue Authorized in Executive Order 2001-9	\$0.0	\$40,000.0
Auto Theft Prevention Grants	\$0.0	\$100.0
Administrative Savings	(\$1,000.0)	(\$1,000.0)
Transfer to Department of History, Arts and Libraries	(\$261.8)	(\$261.8)
Adjustments to Reflect End of 1997 Early Retirement Payouts	(\$15.0)	(\$211.8)
Economic Adjustments	\$1,419.9	\$2,033.8
Staff Reductions Needed to Pay for Employee Economics (2.0 FTE's)	<u>(\$120.5)</u>	<u>(\$120.5)</u>
Subtotal	\$22.6	\$40,539.7
<b>FY2003 Executive Recommendation</b>	<b>\$17,741.3</b>	<b>\$179,828.1</b>

# Department of State

The Department of State administers Michigan's motor vehicle programs including titling, registering vehicles, licensing drivers, and monitoring driver performance. The Secretary of State also supervises statewide elections and administers the state election law. Funding for fiscal year 2003 is recommended at \$179.8 million, of which \$17.7 million is general fund.

## **Achievements of the Last Decade**

Over the past decade, the department has focused on using technology to improve services to the residents of Michigan. As a result of those efforts, the department has gone from operating a network of branch offices with no facsimile or copy machines, to giving Michigan residents the option of renewing license plates and watercraft registrations by facsimile, touch-tone telephone, and the Internet. A new electronic data collection program is now available to licensed brokers for electronic submittal of their sales reports. In addition, auto dealers no longer need to purchase pre-printed blank, multi-part customer title application forms. A new on-line service allows the dealers to complete and print the forms at the dealership as needed.

**Driver Safety.** The department has implemented a graduated driver license program that has reduced the crash rates among young drivers by 25 percent in only four and a half years. In addition, repeat offender laws, designed to address the problem of repeat drunk drivers and those who drive repeatedly on a suspended license, have led to the arrest of more than 120,000 drunk drivers, the confiscation of 42,000 license plates, the revocation of 25,600 driver licenses, and immobilization of 8,400 vehicles in only two years.

**Election Reform.** The Secretary of State is Michigan's chief elections officer. To improve the integrity of the elections process, the department implemented the Qualified Voter File, a statewide voter database. It has enabled the department

---

*"Michigan is not only one of the first, but one of the stellar examples."*

**Lisa-Joy Zgorski, National Commission on Federal Election Reform spokeswoman, commenting on Michigan's Qualified Voter File, August, 6, 2001**

---

to verify voter registrations and eliminate more than 600,000 duplicate registrations that were maintained in local files throughout the state. The File has been used successfully since 2000 by all jurisdictions holding elections. The system received national recognition from the National Commission on Federal Election Reform and in reports from the California Institute of Technology and the Massachusetts Institute of Technology.

## **Response to Revenue Decline**

Executive Order 2001-9, issued in response to recent declines in state revenues, included \$3.0 million in reductions for the Department of State, which resulted in the closure of three branch offices. The Executive Order also shifted \$40.0 million in administrative costs for the collection of transportation-related fees to the Michigan Transportation Fund, which directly benefits from the revenue collected.

### Summary of Fiscal Year 2003 Executive Budget

The fiscal year 2003 budget recommendation continues the fiscal year 2002 Executive Order reductions. The fiscal year 2003 recommendation also includes the transfer of \$261,800 to the Department of History, Arts and Libraries to complete the integration of all historical programs into that department and increases funding by \$100,000 to assist the department with auto theft prevention. The recommendation also includes \$1.0 million in administrative savings by moving more services to touch-tone telephone and Web sites, thereby reducing in-person traffic in branch offices.

Program Outcomes	Fiscal Year			
	2000	2001	2002	2003
Increase customer use of technology for conducting business with Secretary of State				
✎ Touch tone telephone registration	168,160	169,850	170,850	171,850
✎ Mobile office	8,513	10,200	10,700	11,235
✎ Internet registrations	147,740	195,500	234,600	281,500
✎ TOTAL	324,413	370,550	410,150	457,585
Increase cumulative number of license plate confiscations in order to reduce repeat offenders on Michigan roads	20,655	42,000	47,000	56,000
Increase the number of organ donors on the Gift of Life Registry	286,590	422,000	560,000	610,000
Increase overall customer satisfaction and quality of branch office visits (percent of survey respondents indicating approval)	85%	87%	89%	90%